

RESOLUTION NO. R-15-67

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE PURCHASE AGREEMENT WITH CLAYTON HOLDINGS, LLC FOR \$226,279.05.

WHEREAS; the City of Gladstone, Missouri desires to replace certain existing capital equipment, and has budgeted for such purpose in the FY16 Budget; and

WHEREAS, three (3) quotes were received for certain capital equipment, and the quoted interest rate proposed by Clayton Holdings, LLC at 1.94% has been determined to be the best quote; and

WHEREAS, the City Council finds that it is in the best interest of the City to authorize the City Manager to negotiate and execute a lease/purchase agreement with the Clayton Holdings for the purchase of such equipment.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT, the City Manager of the City of Gladstone, Missouri is hereby authorized to negotiate and execute an Equipment Lease/Option to Purchase Agreement that is expected to close on or before October 15, 2015 between Clayton Holdings, LLC and the City of Gladstone, Missouri for lease/purchase amount of \$226,279.05 plus applicable interest.

FURTHER THAT funds for such purpose are authorized from the General Fund and PSST Fund.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 28TH DAY OF SEPTEMBER, 2015.



Mayor Bill Garnos



Ruth Bocchino, City Clerk



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Sept. 21, 2015

TO: Kirk Davis – City Manager

FROM: Debra Daily – Director of Finance *DD*

RE: Capital Equipment Replacement Financing

Finance requested rate quotes to lease/purchase capital equipment totaling \$226,279.05. This proposed lease purchase was requested by Finance and approved during the FY16 Budget process. Finance requested quotes based on a seven year maturity for equipment. The requested lease was to be structured with the first annual payment to occur January 15, 2016 and the final annual payment to be made in January of 2022.

Three vendors were requested to provide quotes. The following analysis indicates that Clayton Holdings, LLC, an equity subsidiary of Commerce Bank, had the low quote. Finance recommends that the lease be secured through Clayton Holdings, LLC. Payments are structured to result in lowest possible interest costs over the term of the lease. The City would like to thank everyone that submitted a rate quote for their time and expertise. We appreciated the opportunity to work with each bank on this rate quote.

A listing of the bid quotes (Exhibit 1) as well a summary of the capital equipment (Exhibit 2) to be purchased are provided for your reference. Resolutions to purchase listed equipment have been previously approved by City Council. A resolution authorizing the City Manager to execute a lease/purchase agreement with the Clayton Holdings, LLC in the amount of \$226,279.05 is provided. If you have any questions, I will be glad to address them.

Exhibit 1**Capital Equipment****Lease Financing Rate Analysis**

	General Fund	PSST	Total
Acquisition Cost	\$96,964.05	\$129,315.00	\$226,279.05
Vendor	Rate Quote (NBQ)	Quoted Fees	
Clayton Holdings (Commerce Bank)	1.94% *	\$250	
First Bank	2.75%	0	
Lawson Bank	No bid		

* Best bid

Capital Equipment for Lease Purchase**Exhibit 2**

Fund	Description	Vendor	Cost
GF - PS	Prisoner Van - Ford 350 Transit	Dick Smith Ford	\$28,177
	Prisoner Van Accessories		
	Transport Insert & Access	911 Custom	\$18,839.10
	Lighting and equipment	911 Custom	\$4,583.40
	Mobil Data terminal & Accessories	Interact Mobile	\$6,970.00
	Graphic Installation	Everlasting Signs	\$800.10
	Radio install allowance	Motorola Inc.	\$630.40
		Total	\$60,000.00
GF - PR	Front Deck Mower w/all weather cab	Kubota Tractor Corp NJPA	\$30,581.05
	Flail Mower	Coleman Equipment - NJPA	\$6,383.00
PSST	In/Car Camera System w install	Watchguard	\$87,490.00
	45 body worn cameras	Watchguard	\$37,125.00
	6 - 2TB Video Storage Drives	CDW-G Government LLC	<u>\$4,700.00</u>
			\$129,315.00
Total Lease Amount			\$226,279.05